

MONTANA LEGISLATIVE HISTORY

Chapter 446 19 99

Bill H 656 S _____

Original bill & history ✓ C

H. Committee on Taxation ✓

Hearing Date(s) 3-15 ✓ C

_____ C

_____ C

_____ C

Date Out _____ C

S. Committee on Taxation ✓

Hearing Date(s) 4-9 ✓ C

_____ C

_____ C

_____ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendant information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

12/23 Fiscal Note Needed
 3/04 Introduced and 1st Reading
 3/04 Referred to Taxation
 3/04 Fiscal Note Requested
 3/09 Fiscal Note Received
 3/10 Fiscal Note Printed
 3/10 Hearing
 3/12 Tabled in Committee
 3/31 Missed Deadline for Revenue Bill Transmittal

HB 656 Introduced by Bookout-Reinicke

LC1422 Drafter: Martin

Generally Revise the Tax Deed Process by Providing a Form to Record or File Cancellations of Tax Sales Certificates;...

3/05	Introduced and 1st Reading		
3/05	Referred to Taxation		
3/15	Hearing		
3/15	Committee Executive Action--Bill Passed	20	0
3/16	Committee Report--Bill Passed		
3/24	2nd Reading Passed	97	0
3/25	3rd Reading Passed	99	1

	Transmitted to Senate		
3/26	Referred to Taxation		
4/09	Hearing		
4/09	Committee Executive Action--Bill Concurred	9	0
4/09	Committee Report--Bill Concurred		
4/12	2nd Reading Concurred	49	0
4/13	3rd Reading Concurred	50	0

Returned to House
 4/14 Sent to Enrolling
 4/15 Returned from Enrolling
 4/16 Signed by Speaker
 4/16 Signed by President
 4/17 Transmitted to Governor
 4/22 Signed by Governor
 4/23 Chapter Number Assigned
 Chapter Number 446
 Effective Date: 4/22/1999 - All Sections

HB 657 Introduced by Davies

LC1047 Drafter: Martin

Revise the Taxation of Estate or Trust Income Based on the Taxable Distribution of the Estate or Trust;...

12/04	Fiscal Note Needed		
3/05	Introduced and 1st Reading		
3/05	Referred to Taxation		
3/09	Fiscal Note Requested		
3/10	Fiscal Note Received		
3/11	Fiscal Note Signed		
3/11	Fiscal Note Printed		
3/18	Hearing		
3/19	Committee Executive Action--Bill Passed	18	2
3/19	Committee Report--Bill Passed		
3/25	2nd Reading Passed	95	5

House BILL NO. 656

INTRODUCED BY

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE TAX DEED PROCESS BY PROVIDING A FORM TO RECORD OR FILE CANCELLATIONS OF TAX SALES CERTIFICATES; PROVIDING A FORM FOR A CERTIFICATE OF REDEMPTION; REQUIRING THAT THE CANCELLATION OF A TAX SALE CERTIFICATE AND A CERTIFICATE OF REDEMPTION BE FILED OR RECORDED WITH THE COUNTY CLERK AND RECORDER; PROHIBITING THE IMPOSITION OF A CHARGE FOR FILINGS OR RECORDINGS RELATED TO THE TAX DEED PROCESS; AMENDING SECTIONS 15-18-113 AND 15-18-212, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-18-113, MCA, is amended to read:

"15-18-113. **Treasurer to record redemptions.** Upon payment of all delinquent taxes, including penalties, interest, and costs, by the person to whom taxes were assessed or his the person's agent to the county treasurer and refunded to the person listed as purchaser as provided in 15-17-212(1)(e), 15-17-213, or 15-17-214 or distributed as provided in 15-18-114, the word "redeemed", the date, and the name of the redemptioner must be marked by the county treasurer on the tax sale certificate or in the record required in 15-17-214. Upon redemption the county treasurer shall execute a certificate of redemption to be filed or recorded with the county clerk and recorder.

(2) The form of the certificate of redemption may be made as follows:

CERTIFICATE OF REDEMPTION

I,, the treasurer of County, certify the following:

1. For tax years (years) the taxes were delinquent on the following real property:
(description of the property).
2. The tax lien on the property was sold on.....(date of the tax sale). Tax Sale Certificate No.
or Tax Lien Assignment No. (if applicable).
3. The tax lien was redeemed on (date of redemption) by the payment of:

Taxes

1 Penalty
2 Interest
3 Cost
4 Total

5 Receipt Number

6 4. The redemption was made by (name of redemptioner).

7 Date:.....

8

9 Signature"

10

11 **Section 2. Section 15-18-212, MCA, is amended to read:**

12 **"15-18-212. Notice -- proof of notice -- penalty for failure to notify. (1) Not more than 60 days**
13 **prior to and not more than 60 days following the expiration of the redemption period provided in**
14 **15-18-111, a notice must be given as follows:**

15 (a) for each property for which there has been issued to the county a tax sale certificate or for
16 which the county is otherwise listed as the purchaser or assignee, the county clerk shall notify all persons
17 considered interested parties in the property and the current occupant of the property, if any, that a tax
18 deed may be issued to the county unless the property tax lien is redeemed prior to the expiration date of
19 the redemption period; or

20 (b) for each property for which there has been issued a tax sale certificate to a purchaser other
21 than the county or for which an assignment has been made, the purchaser or assignee, as appropriate, shall
22 notify all persons considered interested parties in the property, if any, that a tax deed will be issued to the
23 purchaser or assignee unless the property tax lien is redeemed prior to the expiration date of the redemption
24 period.

25 (2) (a) Except as provided in subsection (2)(b), if the county is the purchaser, an assignment has
26 not been made, and the board of county commissioners has not directed the county treasurer to issue a
27 tax deed during the period described in subsection (1) but the board of county commissioners at a time
28 subsequent to the period described in subsection (1) does direct the county treasurer to issue a tax deed,
29 the county clerk shall provide notification to all interested parties and the current occupant, if any, in the
30 manner provided in subsection (1)(a). The notification required under this subsection must be made not less

than 60 days or more than 120 days prior to the date on which the county treasurer will issue the tax deed.

(b) If the county commissioners direct the county treasurer to issue a tax deed within 6 months after giving the notice required by subsection (1)(a), additional notice need not be given.

(3) (a) If a purchaser other than the county or an assignee fails or neglects to give notice as required by subsection (1)(b) and the failure or neglect is evidenced by failure of the purchaser or assignee to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall notify the purchaser or assignee of the obligation to give notice under subsection (1)(b). The notice of obligation may be sent by certified mail, return receipt requested, to the purchaser or assignee at the address contained on the tax sale certificate provided for in 15-17-212 or on the assignment form provided for in 15-17-323.

(b) If within 120 days after the county treasurer mails the notice of obligation the purchaser or assignee fails to give notice as required by subsection (1)(b), as evidenced by failure to file proof of notice with the county clerk as required in subsection (7), the county treasurer shall cancel the property tax lien evidenced by the tax sale certificate or the assignment. Upon cancellation of the property tax lien, the county treasurer shall file or record with the county clerk and recorder a notice of cancellation on a form provided for in [section 3].

(4) The notice required under subsections (1) and (2) must be made by certified mail, return receipt requested, to each interested party and the current occupant, if any, of the property. The address to which the notice must be sent is, for each interested party, the address disclosed by the records in the office of the county clerk and, for the occupant, the street address or other known address of the subject property.

(5) In all cases in which the address of an interested party is not known, the person required to give notice shall, within the period described in subsection (1) or not less than 60 days or more than 120 days prior to the date upon which the county treasurer will otherwise issue a tax deed, whichever is appropriate, commence publishing once a week for 2 successive weeks, in the official newspaper of the county or another newspaper as the board of county commissioners may by resolution designate, a notice containing the information contained in subsection (6), plus:

- (a) the name of the interested party for whom the address is unknown;
- (b) a statement that the address of the interested party is unknown;
- (c) a statement that the published notice meets the legal requirements for notice of a pending tax deed issuance; and

1 (d) a statement that the interested party's rights in the property may be in jeopardy.

2 (6) The notices required by subsections (1), (2), and (5) must contain the following:

3 (a) a statement that a property tax lien exists on the property as a result of a property tax
4 delinquency;

5 (b) a description of the property on which the taxes are or were delinquent, which must be the
6 same as the description of the property on the tax sale certificate or in the record described in
7 15-17-214(2)(b);

8 (c) the date that the property taxes became delinquent;

9 (d) the date that the property tax lien attached as the result of a tax sale;

10 (e) the amount of taxes due, including penalties, interest, and costs, as of the date of the notice
11 of pending tax deed issuance, which amount must include a separate listing of the delinquent taxes,
12 penalties, interest, and costs that must be paid for the property tax lien to be liquidated;

13 (f) the name and address of the purchaser;

14 (g) the name of the assignee if an assignment was made as provided in 15-17-323;

15 (h) the date that the redemption period expires or expired;

16 (i) a statement that if all taxes, penalties, interest, and costs are not paid to the county treasurer
17 on or prior to the date on which the redemption period expires or on or prior to the date on which the
18 county treasurer will otherwise issue a tax deed that a tax deed may be issued to the purchaser on the day
19 following the date on which the redemption period expires or on the date on which the county treasurer
20 will otherwise issue a tax deed; and

21 (j) the business address and telephone number of the county treasurer who is responsible for
22 issuing the tax deed.

23 (7) Proof of notice in whatever manner given must be filed with the county clerk. If the purchaser
24 or assignee is other than the county, the proof of notice must be filed with the county clerk within 30 days
25 of the mailing or publishing of the notice. If the purchaser or assignee is the county, the proof of notice
26 must be filed before the issuance of the tax deed under this chapter. Once filed, the proof of notice is prima
27 facie evidence of the sufficiency of the notice.

28 (8) A county or any officer of a county may not be held liable for any error of notification."
29

30 **NEW SECTION. Section 3. Form of cancellation.** The notice of cancellation required by 15-18-212

of a tax lien as evidenced by a tax sale certificate or assignment may be made as follows:

I,, the treasurer of County, certify that (name of the purchaser or the purchaser's agent or assignee) of (address), purchased a tax lien (tax sale certificate no. or tax lien assignment no.) on property owned by (name of owner of record). See legal description attached as exhibit "A", Tax Receipt No. on (date).

I further certify that pursuant to 15-18-212(3)(a), notice was given to (name of purchaser or the purchaser's agent or assignee) that the tax lien will be canceled if the purchaser does not comply with provisions of 15-18-212 within 120 days from (date of mailing of certified letter).

I further certify that the treasurer of County has no record of notice by the owner of the tax lien in accordance with 15-18-212(7).

Therefore, noncompliance by the assignee has caused the tax lien to be canceled this (date).

.....

Name of County Treasurer

NEW SECTION. Section 4. Charge not allowed for filings or recordings made by county treasurer.

The county clerk and recorder may not impose a charge for tax lien assignments, tax sale certificates, certificates of redemption, or any other form that the county treasurer is required to file or record with the county clerk and recorder.

NEW SECTION. Section 5. Codification instruction. [Sections 3 and 4] are intended to be codified as an integral part of Title 15, chapter 18, and the provisions of Title 15, chapter 18, apply to [sections 3 and 4].

NEW SECTION. Section 6. Effective date -- applicability. [This act] is effective on passage and approval and applies to filings, recordings, or redemptions occurring after [the effective date of this act].

- END -

INDEX TO BILLS IN COMMITTEE

June 30, 1999

- Committee: (H) Taxation -

04:07 PM

-
- HB 652** SPONSOR: Guggenheim, Mary Anne SHORT TITLE: Clarify income for purposes of residential credit for elderly
REFERRED ON: 03/01/1999 HEARD ON: 03/08/1999
EXECUTIVE ACTION: 03/08/1999 Bill Passed -- VOTE: 19 - 0
FINAL DISPOSITION 04/23/1999 Chapter Number Assigned
-
- HB 654** SPONSOR: Schmidt, Trudi SHORT TITLE: Clarify FIT deduction allowed for individual income/none for self-employment tax
REFERRED ON: 03/04/1999 HEARD ON: 03/09/1999
EXECUTIVE ACTION: 03/12/1999 Bill Passed as Amended -- VOTE: 17 - 3
FINAL DISPOSITION 04/22/1999 (S) Died in Standing Committee
-
- HB 655** SPONSOR: Tropila, Joe SHORT TITLE: Flat tax for income tax
REFERRED ON: 03/04/1999 HEARD ON: 03/10/1999
TABLED ON: 03/12/1999
FINAL DISPOSITION 03/31/1999 (H) Missed Deadline for Revenue Bill Transmittal
-
- HB 656** SPONSOR: Bookout-Reinicke, Sylvia SHORT TITLE: Revise tax deed process
REFERRED ON: 03/05/1999 HEARD ON: 03/15/1999
EXECUTIVE ACTION: 03/15/1999 Bill Passed -- VOTE: 20 - 0
FINAL DISPOSITION 04/23/1999 Chapter Number Assigned
-
- HB 657** SPONSOR: Davies, Bob SHORT TITLE: Estate and trust deductibility of state and federal taxes
REFERRED ON: 03/05/1999 HEARD ON: 03/18/1999
EXECUTIVE ACTION: 03/19/1999 Bill Passed -- VOTE: 18 - 2
FINAL DISPOSITION 04/23/1999 Chapter Number Assigned
-
- HB 658** SPONSOR: Clark, Edith SHORT TITLE: Revise local government severance tax to include "stripper well exemption"
REFERRED ON: 03/05/1999 HEARD ON: 03/18/1999
EXECUTIVE ACTION: 03/22/1999 Bill Passed as Amended -- VOTE: 20 - 0
FINAL DISPOSITION 04/29/1999 Chapter Number Assigned
-
- HB 659** SPONSOR: Menahan, Red SHORT TITLE: Provide minimum amount for tax refund or bill as a result of revised assessment
REFERRED ON: 03/05/1999 HEARD ON: 03/15/1999
EXECUTIVE ACTION: 03/19/1999 Bill Passed as Amended -- VOTE: 14 - 6
FINAL DISPOSITION 04/23/1999 Chapter Number Assigned
-

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on March 15, 1999 at
8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Trudi Schmidt (D)
Rep. Roger Somerville (R)

Members Excused: None.

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

HB 656, 3/10/1999
HB 659, 3/10/1999
HB 661, 3/10/1999
HB 662, 3/10/1999

Executive Action:

HB 656 - Do Pass
HB 662 - Table
HB 513 - Do Pass as Amended
LC 1925 - Do Pass
HB 386 - Discussion Only

EXECUTIVE ACTION ON HB 662

Motion/Vote:

At the request of Rep. Walters, the sponsor, Rep. Hanson MOVED to TABLE HB 662. The MOTION PASSED unanimously.
{Tape : 1; Side : A; Approx. Time Counter : 1.6}

HEARING ON HB 656

Opening Statement by Sponsor:

Rep. Sylvia Bookout Reinicke, House District 71
{Tape : 1; Side : A; Approx. Time Counter : 3.5}

Proponents' Testimony:

Cort Harrington, County Treasurers Association
{Tape : 1; Side : A; Approx. Time Counter : 5.3}

Opponents' Testimony:

None.

Informational Testimony:

Jane Jelenski, Montana Association of Counties
{Tape : 1; Side : A; Approx. Time Counter : 7.5}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 8.4}

Closing by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 17.3}

HEARING ON HB 659

Opening Statement by Sponsor:

Rep. Red Menahan, House District 17, Anaconda

{Tape : 1; Side : A; Approx. Time Counter : 18}

Proponents' Testimony:

Cort Harrington, County Treasurers Association

{Tape : 1; Side : A; Approx. Time Counter : 19.1}

Opponents' Testimony:

None.

Informational Testimony:

Dolores Cooney, Department of Revenue

{Tape : 1; Side : A; Approx. Time Counter : 21.6}

Questions from Committee Members and Responses:

{Tape : 1; Side : A; Approx. Time Counter : 22}

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 1.6}

HEARING ON HB 661

Opening Statement by Sponsor:

Rep. Bill Rehbein, House District 100

{Tape : 1; Side : B; Approx. Time Counter : 2.9}

Vote:

On a voice vote, the **MOTION PASSED**, 14 - 5. Story, Orr, Jackson, Davies and Gillan voting no.

EXECUTIVE ACTION ON HB 656

Motion:

Rep. Hanson MOVED HB 656 DO PASS.

{Tape : 3; Side : A; Approx. Time Counter : 26.2}

Discussion:

{Tape : 3; Side : A; Approx. Time Counter : 27.5}

Vote:

On a voice vote, the **MOTION PASSED**, 20 - 0.

{Tape : 3; Side : B; Approx. Time Counter : 3.7}

EXECUTIVE ACTION ON HB 386

Discussion only. EXHIBIT(5) EXHIBIT(6)

{Tape : 3; Side : B; Approx. Time Counter : 5}

EXECUTIVE ACTION ON COMMITTEE BILL - LC 1925

Motion:

Rep. Harper MOVED direct staff to proceed with preparation of LC 1925 in bill form. On a voice vote, the **MOTION PASSED**, 18 - 2. Holden and Rehbein voting no.

{Tape : 3; Side : B; Approx. Time Counter : 9.7}

Adjourn.

{Tape : 3; Side : B; Approx. Time Counter : 24.9}

HOUSE TAXATION COMMITTEE - 1999

ROLL CALL

DATE OF MEETING 3-15-99

NAME	PRESENT	ABSENT	EXCUSED
Rep. Beck	✓		
Rep. Dale	✓		
Rep. Davies	✓		
Rep. Erickson	✓		
Rep. Fuchs	✓		
Rep. Gillan	✓		
Rep. Guggenheim	✓		
Rep. Hanson	✓		
Rep. Harper	✓		
Rep. Harrington	✓		
Rep. Holden	✓		
Rep. Jackson	✓		
Rep. Orr	✓		
Rep. Raney	✓		
Rep. Rehbein	✓		
Rep. Rose	✓		
Rep. Schmidt	✓		
Rep. Somerville	✓		
Rep. Story	✓		
Rep. Hibbard	✓		

INDEX TO BILLS IN COMMITTEE

June 30, 1999

- Committee: (S) Taxation -

05:12 PM

HB 656 SPONSOR: Bookout-Reinicke, Sylvia SHORT TITLE: Revise tax deed process

REFERRED ON: 03/26/1999 HEARD ON: 04/09/1999

EXECUTIVE ACTION: 04/09/1999 Bill Concurred -- VOTE: 9 - 0

FINAL DISPOSITION 04/23/1999 Chapter Number Assigned

HB 657 SPONSOR: Davies, Bob SHORT TITLE: Estate and trust deductibility of state and federal taxes

REFERRED ON: 03/27/1999 HEARD ON: 04/09/1999

EXECUTIVE ACTION: 04/09/1999 Bill Concurred -- VOTE: 8 - 1

FINAL DISPOSITION 04/23/1999 Chapter Number Assigned

HB 658 SPONSOR: Clark, Edith SHORT TITLE: Revise local government severance tax to include "stripper well exemption"

REFERRED ON: 03/26/1999 HEARD ON: 04/09/1999

EXECUTIVE ACTION: 04/12/1999 Bill Concurred as Amended -- VOTE: 8 - 0

FINAL DISPOSITION 04/29/1999 Chapter Number Assigned

HB 659 SPONSOR: Menahan, Red SHORT TITLE: Provide minimum amount for tax refund or bill as a result of revised assessment

REFERRED ON: 03/27/1999 HEARD ON: 04/09/1999

EXECUTIVE ACTION: 04/09/1999 Bill Concurred -- VOTE: 9 - 0

FINAL DISPOSITION 04/23/1999 Chapter Number Assigned

HB 661 SPONSOR: Rehbein, Bill SHORT TITLE: Revise taxation of oil production from a stripper well

REFERRED ON: 03/30/1999 HEARD ON: 04/07/1999

EXECUTIVE ACTION: 04/12/1999 Bill Concurred as Amended -- VOTE: 8 - 0

FINAL DISPOSITION 05/04/1999 Chapter Number Assigned

HB 669 SPONSOR: Story, Bob SHORT TITLE: Clarify and revise tax valuation of rail transportation property

REFERRED ON: 03/26/1999 HEARD ON: 04/08/1999

EXECUTIVE ACTION: 04/09/1999 Bill Concurred as Amended -- VOTE: 9 - 0

FINAL DISPOSITION 05/04/1999 Chapter Number Assigned

HB 674 SPONSOR: Hibbard, Chase SHORT TITLE: Revise recovery and deposit of accommodations tax paid by state agencies

BY REQUEST OF: (H) Taxation Standing Committee

REFERRED ON: 04/10/1999 HEARD ON: 04/13/1999

EXECUTIVE ACTION: 04/13/1999 Bill Concurred as Amended -- VOTE: 9 - 0

FINAL DISPOSITION 04/29/1999 Chapter Number Assigned

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN GERRY DEVLIN**, on April 9, 1999 at
8:00 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Bob DePratu, Vice Chairman (R)
Sen. John C. Bohlinger (R)
Sen. Dorothy Eck (D)
Sen. E. P. "Pete" Ekegren (R)
Sen. Jon Ellingson (D)
Sen. Alvin Ellis Jr. (R)
Sen. Bill Glaser (R)
Sen. Barry "Spook" Stang (D)

Members Excused: None

Members Absent: None

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 656, 3/29/99; HB 657,
3/29/99; HB 658, 3/29/99; HB
659, 3/29/99; HB 253, 3/29/99
Executive Action: HB 656, HB 659, HB 657, HB
651, HB 669, HB 638

HEARING ON HB 656

Sponsor: REPRESENTATIVE SYLVIA BOOKOUT-REINICKE, HD 71, ALBERTON

Proponents: Patricia Cook, Montana County Treasurers Association

**Cort Harrington, Montana County Treasurers
Association**

Opponents: None

Opening Statement by Sponsor:

REP. SYLVIA BOOKOUT-REINICKE, HD 71, Alberton, said this is a bill to improve the tax deed process when there are liens put on property. She said there is nothing in the Code that specifies how this is done, so every county makes up their own way. This bill rectifies this problem.

Proponents' Testimony:

Patricia Cook, Lake County Treasurer and Legislative Chair, Montana County Treasurers Association, said the County Treasurers are supporting this legislation because presently there are no forms in statute, no guidelines for canceling tax sale assignments or for redemption of that assignment. This would give the Treasurer some sort of form to go by. It would also allow that county documents to be recorded in the Clerk and Recorder's Office at no charge to the County because it is a county document.

Cort Harrington, Montana County Treasurers Association, said the primary purpose of this bill is to allow the recording of cancellation of a tax assignment. He said presently if there is a cancellation or redemption of a tax deed, there is nothing that would reflect that through the Clerk and Recorder's Office. The purposes of this bill are 1) to require that these are filed with the Clerk and Recorder, 2) to provide a form to accomplish that, and 3) to provide that there is no filing fee for that because it is a county form.

Opponents' Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN DEVLIN asked if there are places in law where forms have been established, and Mr. Harrington said there were.

Closing by Sponsor:

REP. BOOKOUT-REINICKE had no closing statement.

EXECUTIVE ACTION ON HB 656

Motion/Vote: SEN. STANG MOVED HB 656. Motion carried 9-0. SEN. STANG will carry on the floor.

HEARING ON HB 657

Sponsor: REPRESENTATIVE BOB DAVIES, HD 27, BOZEMAN

Proponents: Joe Shevlin, Montana Society of CPAs

Opponents: None

Opening Statement by Sponsor:

REP. BOB DAVIES, HD 27, Bozeman, said this bill was prepared at the request of the Montana Society of CPAs. He said under current law, individuals are tied to federal adjusted gross income, with certain additions and subtractions. If a taxpayer is a beneficiary of an estate or trust, the income from the trust is included in federal adjusted gross income. However, when an estate or trust is taxed at the Montana level, there are usually differences between federal taxable income for the estate and the Montana taxable income for the same estate or trust. In 1998, the Montana Department of Revenue issued a legal opinion that Montana beneficiary taxpayers would be taxed in Montana based on the federal distribution. This law would change and reconcile the differences and allow Montana taxpayers to adjust their federal adjusted gross income by the differences between the federal level and the state level.

Proponents' Testimony:

Joe Shevlin, Montana Society of CPAs, distributed two examples of the Form 1041, Example A, **EXHIBIT(1)**, and Example B, **EXHIBIT(2)**. As REP. DAVIES had said, there are differences between federal adjusted gross income and Montana adjusted gross income. There are certain things taxed in Montana that are not taxed on the federal level, and vice versa. Currently there is no way to adjust those on the individual tax return.

Referring to Example A, Mr. Shevlin said this is an example of the federal fiduciary income tax return, which is the trust or estate return. On page 1, line 18, it shows the income distribution deduction, and the taxable amount to beneficiaries at the federal level is \$12,250. Turning to page 3, he pointed out lines 1 and 2, which total the \$12,250. He said this is the amount that is taxed for income tax purposes at the federal level. Page 4 is the Montana fiduciary income tax return for the